

FY2018 TREASURER'S REPORT TO COUNCIL



Talia Lomax-O'dneal

Finance Director

Tom Eddlemon

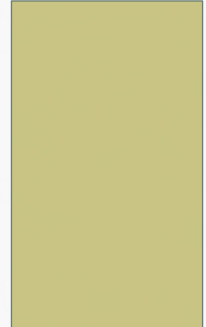
Treasurer

Wayne Placide

Financial Advisor
Hilltop Securities

Heidi Gould

Debt Administrator



DEBT PRESENTATION

- Annual Debt Report
- Rating Agencies
- Debt Management Policy
- Capital Spending and Debt Capacity



DEBT PRESENTATION

Annual Debt Report



ANNUAL DEBT REPORT

- Revised Debt Report



ANNUAL DEBT REPORT

- General Obligation Debt
- Water and Sewer Revenue Debt
- Convention Center Authority Debt
- Sports Authority Debt
- Contingent Liability
- Refunding Bonds
- Commercial Paper



OUTSTANDING GENERAL OBLIGATION DEBT

	Principal	Interest	Total
Bonded Debt	\$2,689,195,000	\$1,067,926,608	\$3,757,121,608
State Loans for Schools	36,800,792	20,313,199	57,113,991
Commercial Paper ⁽¹⁾ ⁽²⁾	<u>150,000,000</u>		<u>150,000,000</u>
Total GO Debt	\$2,875,995,792	\$1,088,239,807	\$3,964,235,599

(1) Commercial paper interest is variable

(2) Commercial paper outstanding as of 05/30/17



OUTSTANDING WATER AND SEWER REVENUE DEBT

	Principal	Interest	Total
Bonded Debt	\$716,115,000	\$503,223,988	\$1,219,338,988
Commercial Paper ⁽¹⁾ ⁽²⁾	250,000,000		250,000,000
Total W&S Debt	<hr/> \$966,115,000	<hr/> \$503,223,988	<hr/> \$1,469,338,988

(1) Commercial paper interest is variable

(2) Commercial paper outstanding as of 05/30/17



OTHER REVENUE DEBT

	Principal	Interest	Total
Convention Center	\$612,130,000	\$678,383,398	\$1,290,513,398
Sports Authority	\$136,255,000	\$75,615,547	\$211,870,547



CONTINGENT LIABILITY

METRO'S BACKING OF CERTAIN DEBT OBLIGATIONS WITH NON-TAX REVENUE

Metro has pledged to back certain obligations if pledged revenues were not sufficient to meet annual debt service payments⁽¹⁾

- GSD Non-Tax revenues are pledged against a total of \$1,168,122,000 outstanding principal and interest with FY17 debt service of \$50,779,967
 - GSD non-tax revenue projected for FY17 is \$168,221,500
- USD Non-Tax revenues are pledged against a total of \$193,682,248 outstanding principal and interest with FY17 debt service of \$6,349,023
 - USD non-tax revenue projected for FY17 is \$17,396,900

(1) An example of contingent liability is the Convention Center Tourism Tax Revenue bonds backed by GSD Non-Tax Revenue



REFUNDING BONDS

- GO Refunding bonds were issued in June 2016
 - Not included on last year's report due to filing deadline
 - Savings of \$16.2 million
 - Net present value savings over prior debt service was 4.84%



COMMERCIAL PAPER

- Commercial paper is a form of bond anticipation notes
- Notes are issued as needed not to exceed authorized limits
- Funds can only be spent on projects previously approved in capital spending plans
- Provides lower cost interim financing until long-term bonds are issued
- Only a financing method – not additional spending authority



COMMERCIAL PAPER (CONT.)

- GO Bonds issued in February retired \$500 million of commercial paper
- Interest rates on commercial paper notes ranged from .29% to .99% for new issues and rolls during the past year
- Current outstanding GO CP is \$150 million
- Current outstanding W&S CP is \$250 million
- Projecting a W&S Revenue Bond issue in FY18 to take out commercial paper



DEBT PRESENTATION

Rating Agencies

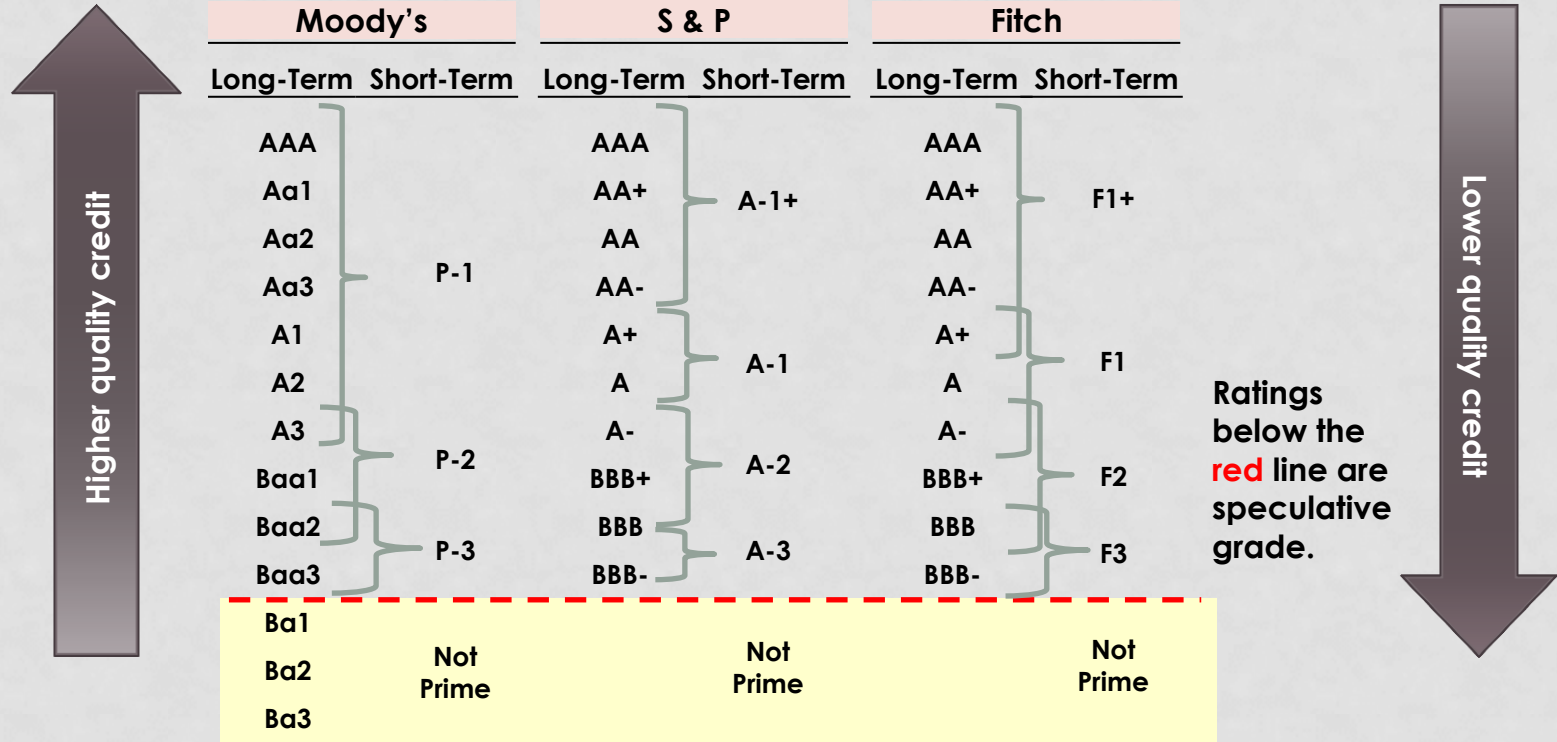


RATING AGENCIES

- Current ratings
- Strengths & weaknesses from latest reports
- Agency's municipal rating criteria
- Comparative Ratings



RATING AGENCIES – RATING GRADES



CURRENT RATINGS

	Moody's		S&P	
	Rating	Outlook	Rating	Outlook
Metropolitan Government of Nashville & Davidson County, TN				
General Obligation	Aa2	Stable	AA	Stable
Water and Sewer	Aa3	Stable	AA-	Stable
Convention Center	Aa2	Stable	A	Stable
Sports Authority	Aa3	Stable	AA-	Stable
Commercial Paper	P-1		A-1+	

Sources: Moody's Investors Service and S&P Global Ratings as of May 23, 2017



RATING'S REPORTS

Moody's – Aa2/Stable	
Strengths <ul style="list-style-type: none">▪ Metro's role as state capital and regional economic center▪ Strong management	Challenges <ul style="list-style-type: none">▪ Financial support of Metro General Hospital▪ Property tax referendum requiring public vote in order to raise property tax rate above cap▪ Above-average debt burden
What Could Make the Rating Go Up <ul style="list-style-type: none">▪ Increase in reserve levels▪ Sizeable growth in Metro's tax base▪ Elimination or a significant reduction in Metro's annual subsidy to Metro General Hospital Authority	What Could Make the Rating Go Down <ul style="list-style-type: none">▪ Declines in Metro's current reserve or cash levels▪ Sizeable increase in debt burden

Sources: Moody's Investors Service report dated January 5, 2017



RATING'S REPORTS

S&P – AA/Stable	
Rating Factors	
<ul style="list-style-type: none">Strong economy, with access to a broad and diverse metropolitan statistical area (MSA)Strong management, with "good" financial policies and practices under our financial management assessment (FMA) methodologyStrong budgetary performance, with a slight operating surplus in the general fund and an operating surplus at the total governmental fund level in fiscal 2016	<ul style="list-style-type: none">Very strong budgetary flexibility, with an available fund balance in fiscal 2016 of 15% of operating expendituresVery strong liquidity, with total government available cash at 29.4% of total governmental fund expenditures and 3.0x governmental debt service, and access to external liquidity we consider exceptionalWeak debt and contingent liability position, with debt service carrying charges at 9.9% of expenditures and net direct debt that is 167.7% of total governmental fund revenueVery strong institutional framework score
Upside Scenario	Downside Scenario
Improvement in Metro's economic metrics, a sustained trend of very strong flexibility, and strong budgetary performance characteristics while the consolidated government effectively manages its capital needs could lead to a higher rating in the medium-to-long term.	We could lower the rating if Metro's growing budget were to result in significant deterioration in budgetary flexibility and performance.

Sources: S&P Global Ratings report dated January 5, 2017



RATINGS CRITERIA

Moody's Local Government GO Scorecard	
Rating Factor	Weighting
Economy 30%	
Tax Base Size: Full Value	10%
Full Value Per Capita	10%
Socioeconomic Indices: MFI	10%
Finances 30%	
Fund Balance as a % of Revenues	10%
5-Year Change in Fund Balance as a % of Revenues	5%
Cash Balance as a % of Revenues	10%
5-Year Change in Cash Balance as a % of Revenues	5%
Management 20%	
Institutional Framework – Uniform score for all issuers of the same type in the same state	10%
Operating History: 5-Year Average of Operating Revenues/ Operating Expenditures	10%
Debt/Pensions 20%	
Direct Debt/Full Value	5%
Direct Debt/Operating Revenues	5%
3-Year Average of Moody's Adjusted Net Pension Liability/Full Value	5%
3-Year Average of Moody's Adjusted Net Pension Liability/Operating Revenues	5%

S&P Local Government GO Scorecard	
Rating Factor	Weighting
Institutional Framework	10%
Uniform score for all issuers of the same type of in the same state	
Economy	30%
<ul style="list-style-type: none"> Total Market Value Per Capita Projected Per Capita Effective Buying Income as a % of US Projected Per Capita EBI 	
Management	20%
Issuer's Financial Management Assessment Score considered with other certain qualitative factors	
Financial	30%
Liquidity (10%)	
<ul style="list-style-type: none"> Total Government Available Cash as % of Total Governmental Funds Debt Service Total Government Available Cash as % of Total Governmental Funds Expenditures 	
Budgetary Performance (10%)	
<ul style="list-style-type: none"> Total Governmental Funds Net Result (%) General Fund Net Result (%) 	
Budgetary Flexibility (10%)	
<ul style="list-style-type: none"> Available Fund Balance as a % of Expenditures 	
Debt and Contingent Liabilities	10%
<ul style="list-style-type: none"> Net Direct Debt as a % of Governmental Funds Revenue Total Governmental Funds Debt Service as a % of Total Governmental Funds Expenditures 	

Sources: Moody's Investors Service and S&P Global Ratings



RATINGS COMPARISON

	Moody's		S&P	
	Rating	Outlook	Rating	Outlook
Metropolitan Government of Nashville & Davidson County, TN	Aa2	Stable	AA	Stable
City of Austin, TX	Aaa	Stable	AAA	Stable
City of Charlotte, NC	Aaa	Stable	AAA	Stable
City & County of Denver, CO	Aaa	Stable	AAA	Stable
Louisville & Jefferson County Metropolitan Government, KY	Aa1	Stable	AA+	Stable
City of Portland, OR	Aaa	Stable	NR	-

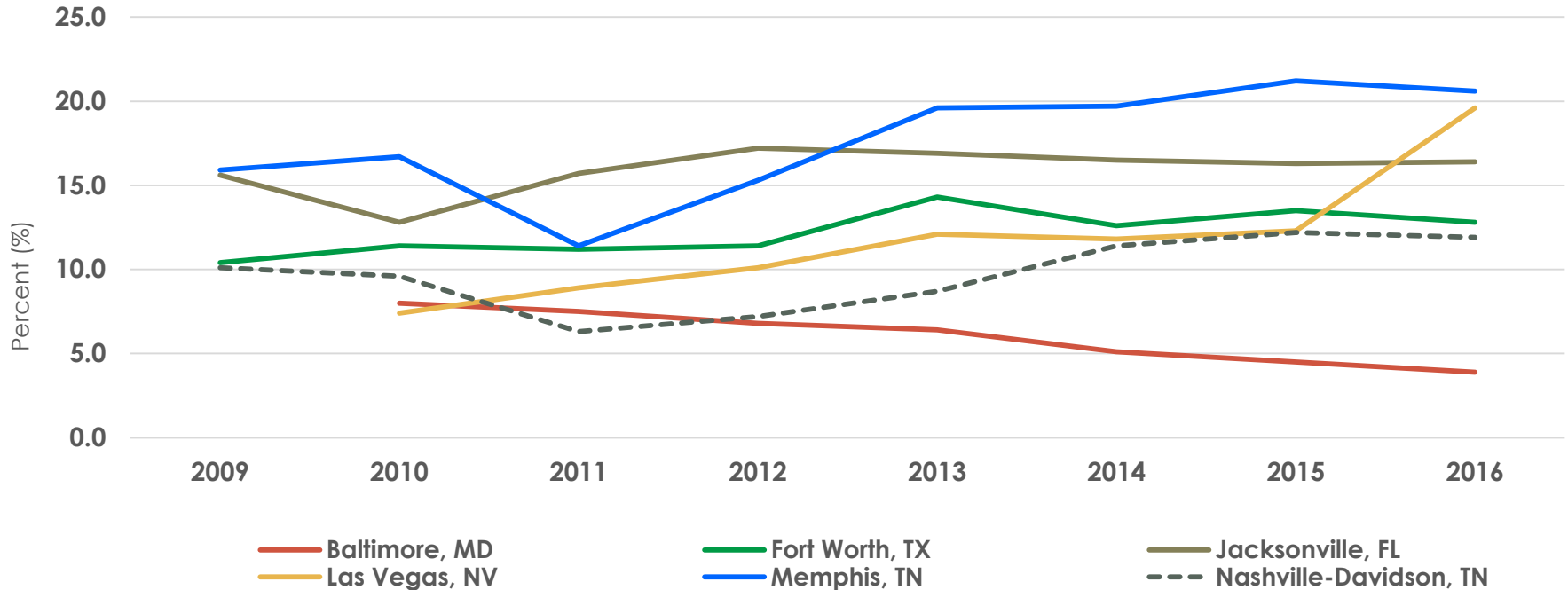
NR – Not Rated

These are cities council member requested and not necessarily Metro's Peers

Sources: Moody's Investors Service and S&P Global Ratings as of May 23, 2017



COMPARISON OF DEBT SERVICE AS % OF OPERATING EXPENDITURES WITH OTHER CITIES



Criteria: 'Aa2' Rated Cities with a population between 500,000 and 1,400,000.

Source: Moodys MFRA as of May 25, 2017.

Principal and Interest Only

Mayor Megan Barry

Metropolitan Government of Nashville and Davidson County



TOP 50 LARGEST U.S. CITIES

RANKED BY POPULATION

Rank by Actual Population	City	Actual/Estimated Population, Annual Value	Direct Net Debt Outstanding (\$000)	Direct Net Debt as % of Full Value	Direct Net Debt Per Capita (\$)	Debt Burden (Overall Net Debt as % Full Value)	MOODY'S Current Senior Most Rating*	S&P's Rating	Payout, 10 Years, General Obligation Debt (%), Current Value
1	<u>New York City, NY</u>	8,491,079	69,457,542	7.2	8,243	7.2	Aa2	AA	59.0
2	<u>Los Angeles, CA</u>	4,030,904	2,602,492	0.5	646	3.2	Aa2	AA-	89.7
3	<u>Chicago, IL</u>	2,695,598	10,775,072	4.5	3,997	8.3	Ba1	BBB+	35.7
4	<u>Houston, TX</u>	2,296,224	2,970,503	1.5	1,294	5.2	Aa3	AA	63.5
5	<u>Philadelphia City, PA</u>	1,567,442	3,917,200	4.2	2,499	7.3	A2	A+	57.3
6	<u>Phoenix, AZ</u>	1,560,020	2,234,918	1.8	1,433	2.9	Aa1	AA+	80.9
7	<u>San Antonio, TX</u>	1,436,697	2,548,080	2.9	1,774	9.1	Aaa	AAA	65.4
8	<u>San Diego, CA</u>	1,391,676	689,804	0.3	496	3.6	Aa2	AA-	N/A
9	<u>Dallas, TX</u>	1,244,270	1,960,668	1.9	1,555	5.3	A1	AA-	78.8
10	<u>San Jose, CA</u>	1,042,000	1,056,924	0.7	1,014	3.3	Aa1	AA+	56.7
11	<u>Honolulu City and County, HI</u>	998,714	2,749,028	1.5	2,753	N/A	Aa1	AA	N/A
12	<u>Austin, TX</u>	925,491	1,399,499	1.3	1,512	3.5	Aaa	AAA	75.3
13	<u>Jacksonville, FL</u>	923,647	2,309,115	2.9	2,726	3.5	Aa2	AA	N/A
14	<u>San Francisco, CA</u>	876,799	2,796,692	1.4	3,190	2.2	Aa1	AA+	62.3
15	<u>Indianapolis, IN</u>	862,781	1,186,070	1.9	1,375	2.6	Aaa	AA	100.0
16	<u>Columbus, OH</u>	861,141	2,251,497	4.0	2,615	7.4	Aaa	AAA	100.0
17	<u>Fort Worth, TX</u>	833,319	992,632	2.0	1,191	6.8	Aa2	AA+	79.2
18	<u>Charlotte, NC</u>	809,958	1,458,545	1.6	1,801	2.6	Aaa	AAA	83.4
19	<u>Hempstead Town, NY</u>	771,018	377,131	0.4	491	3.1	Aa3	A+	90.9
20	<u>Louisville-Jefferson County Metro Government, KY</u>	763,623	491,967	3.5	647	1.4	Aa1	AA+	65.7
21	<u>Detroit, MI</u>	713,777	2,051,745	12.1	2,874	23.1	B2	B	48.0
22	<u>Denver, CO</u>	682,545	1,396,157	1.7	2,046	6.2	Aaa	AAA	N/A
23	<u>El Paso, TX</u>	681,124	1,391,630	4.2	2,043	8.0	N/A	AA	58.5
24	<u>Nashville-Davidson, TN</u>	678,889	2,923,420	4.3	4,306	4.3	Aa2	AA	62.3
25	<u>Boston, MA</u>	669,469	1,387,545	1.3	2,134	1.3	Aaa	AAA	76.1

Sources: Moody's Investors Service MFRA and S&P Global Ratings as of May 24, 2017



TOP 50 LARGEST U.S. CITIES RANKED BY POPULATION (CONT.)

Rank by Actual Population	City	Actual/Estimated Population, Annual Value	Direct Net Debt Outstanding (\$000)	Direct Net Debt as % of Full Value	Direct Net Debt Per Capita (\$)	Debt Burden (Overall Net Debt as % Full Value)	MOODY'S Current Senior Most Rating*	S&P's Rating	Payout, 10 Years, General Obligation Debt (%), Current Value
	Median	665,935	1,092,051	1.7	1,567	3.6	Aa2	AA+	72.4
26	<u>Seattle, WA</u>	662,400	1,127,178	0.7	1,726	1.0	Aaa	AAA	62.9
27	<u>Washington, DC</u>	658,893	9,581,066	5,066.6	14,541	6.4	Aa1	AA	42.4
28	<u>Memphis, TN</u>	653,480	1,469,786	4.1	2,249	5.9	Aa2	AA	70.5
29	<u>Oklahoma City, OK</u>	641,000	815,566	1.8	1,272	2.7	Aaa	AAA	67.4
30	<u>Portland, OR</u>	632,309	578,038	0.6	914	1.8	Aaa	NR	72.4
31	<u>Baltimore, MD</u>	622,793	1,285,369	4.1	2,065	3.9	Aa2	AA-	N/A
32	<u>Las Vegas, NV</u>	620,935	718,121	1.6	1,157	5.3	Aa2	AA	44.6
33	<u>Milwaukee, WI</u>	595,787	848,763	4.0	1,416	9.2	Aa3	AA	84.7
34	<u>Albuquerque, NM</u>	559,121	676,821	1.8	1,217	3.7	Aa1	AAA	95.3
35	<u>Tucson, AZ</u>	531,641	523,391	2.1	991	3.9	Aa3	AA-	100.0
36	<u>Fresno, CA</u>	520,159	310,516	1.0	597	4.2	A3	A+	N/A
37	<u>Brookhaven Town, NY</u>	489,278	572,982	1.2	1,172	2.6	Aa2	AAA	81.1
38	<u>Sacramento, CA</u>	485,683	613,164	1.5	1,262	5.5	Aa2	AA-	N/A
39	<u>Kansas City, MO</u>	475,378	1,701,577	5.6	3,579	7.9	Aa2	AA-	90.5
40	<u>Mesa, AZ</u>	475,274	465,245	1.4	979	2.5	Aa2	AA-	58.5
41	<u>Long Beach, CA</u>	474,140	158,273	0.3	334	3.0	Aa2	AA	N/A
42	<u>Atlanta, GA</u>	463,878	886,230	1.3	1,974	1.9	Aa1	AA+	61.0
43	<u>Miami, FL</u>	456,089	720,290	1.2	1,579	1.9	Aa3	AA-	80.8
44	<u>Virginia Beach, VA</u>	454,247	976,532	1.7	2,150	1.7	Aaa	AAA	86.1
45	<u>Raleigh, NC</u>	451,066	564,062	1.0	1,251	2.4	Aaa	AAA	90.8
46	<u>Colorado Springs, CO</u>	450,347	137,777	0.3	312	1.5	Aa2	AA	42.3
47	<u>Omaha, NE</u>	446,599	917,242	2.9	2,084	5.1	Aa2	AA+	82.9
48	<u>Oakland, CA</u>	419,539	879,898	1.7	2,097	4.7	Aa2	AA	58.1
49	<u>Minneapolis, MN</u>	410,939	763,510	1.3	1,909	3.0	Aa1	AAA	87.4
50	<u>Tulsa, OK</u>	403,085	471,016	1.6	1,169	2.5	Aa1	AA	N/A

Sources: Moody's Investors Service MFRA and S&P Global Ratings as of May 24, 2017



DEBT PRESENTATION

Debt Management Policy



DEBT MANAGEMENT POLICY

- State Requirements
- Metro's Policy
- Policy Highlights



STATE REQUIREMENTS

The State Funding Board adopted a statement on debt management that reflects four principles for strong financial management in the public sector:

- Understand the transaction
- Explain to citizens what is being considered
- Avoid conflicts of interest
- Disclose costs and risks



STATE REQUIREMENTS (CONT.)

The State also requires:

- Local governments adopt a policy by January 1, 2012
- The policy include the minimum requirements provided in the State's model debt policy
- The policy be filed with the State Comptroller
- For each debt issuance local governments report to the State that the debt complies with the policy and is clearly authorized by the policy.



METRO'S DEBT MANAGEMENT POLICY

- Metro's Debt Management Policy was adopted by Metro Council on December 6, 2011
- The policy was filed with the State Comptroller on February 3, 2012
- Every Report on Debt Obligation to the State since 2012 includes a statement of compliance with written debt management policy
 - Each report is provided to Council prior to submission to the State



POLICY HIGHLIGHTS

In managing its debt, it is the Metropolitan Government's policy to:

- Achieve the lowest cost of capital
- Ensure high credit quality
- Assure access to the capital credit markets
- Preserve financial flexibility
- Manage interest rate risk exposure



POLICY HIGHLIGHTS (CONT.)

- All debt issuance will conform to requirements of Metro Charter, Tennessee Code Annotated and Federal Tax Code
- Competitive sale is preferred method of debt issuance
- Debt financing term will not exceed the average useful life of assets, generally 20 year bonds
- Long term debt will not be used to finance current operations or normal maintenance
- Refunding for savings is considered when in the best interest and minimum savings are generated (generally 3.5%)

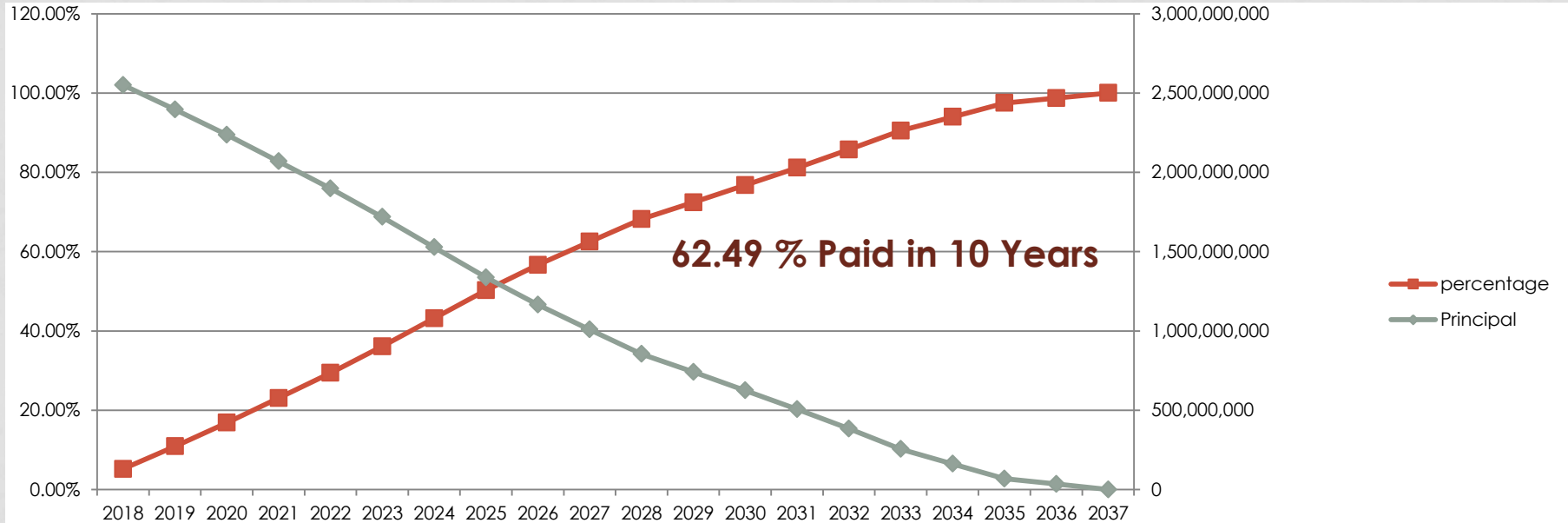


POLICY HIGHLIGHTS (CONT.)

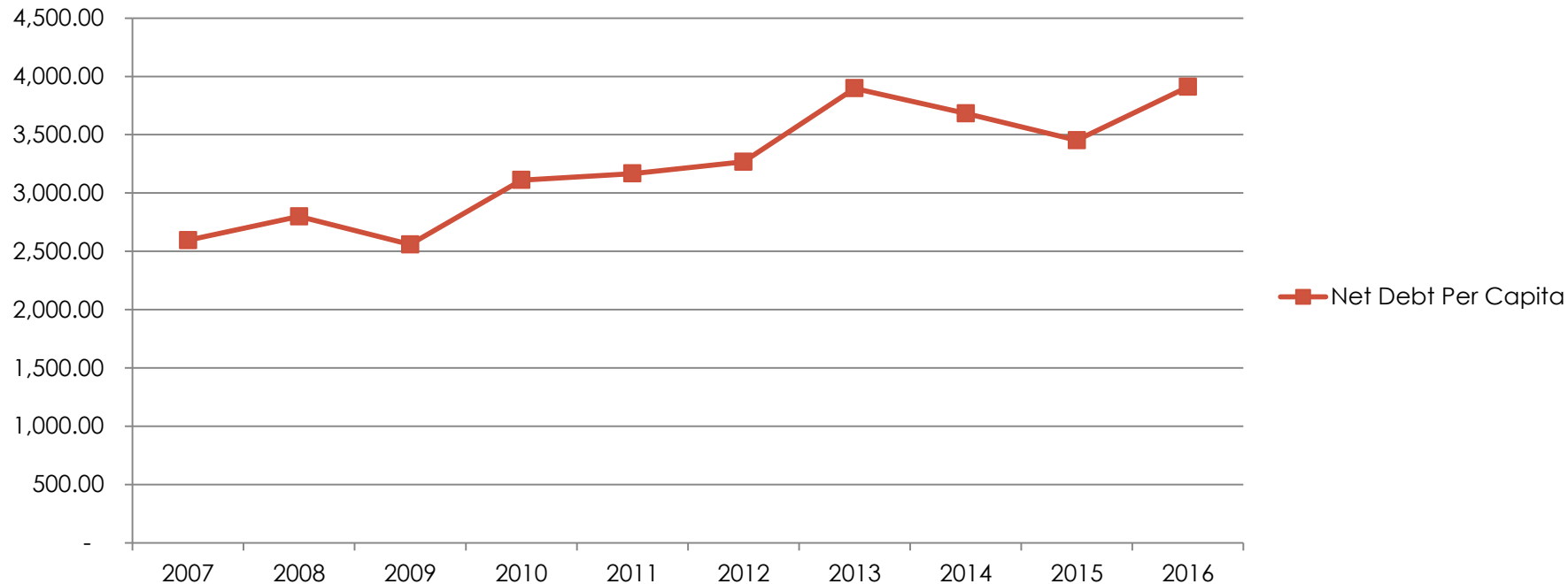
- Periodically review basic measures of debt affordability
 - percentage of principal paid within 10 years,
 - per capita debt/per capita income,
 - per capita debt/per capita assessed value
 - debt service/general fund operating expenses



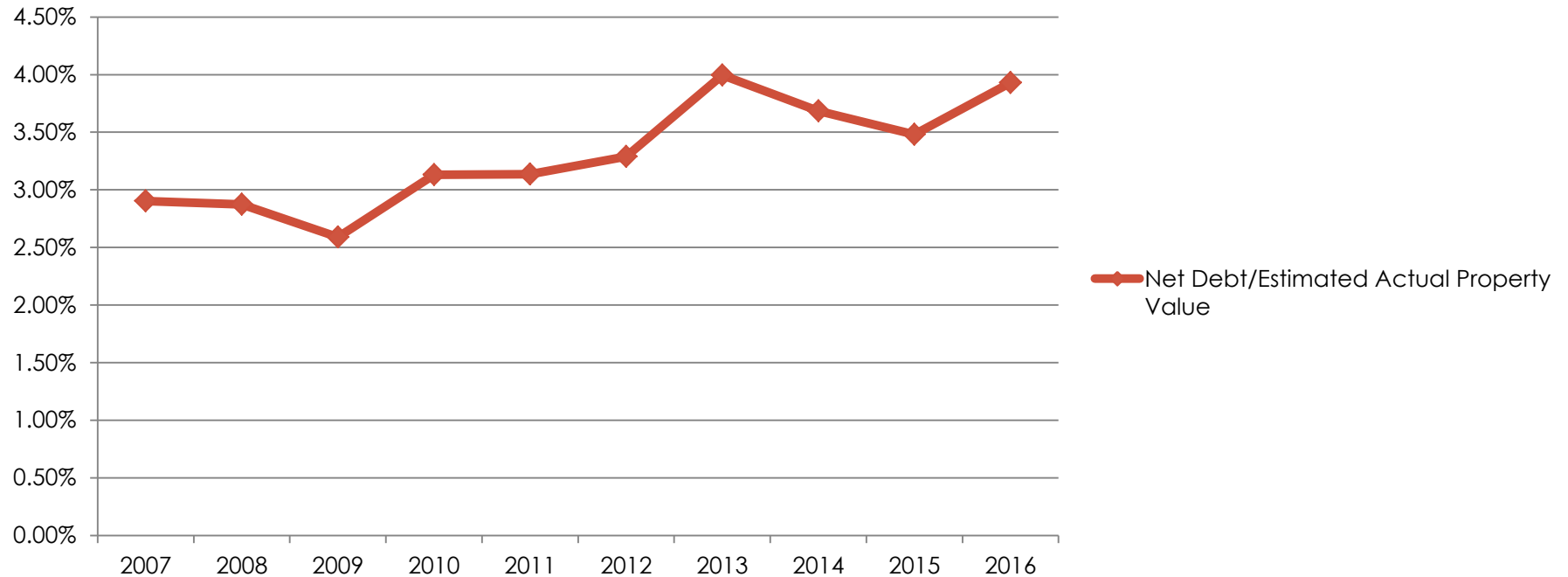
PERCENTAGE OF GO BOND PRINCIPAL PAID IN 10 YEARS



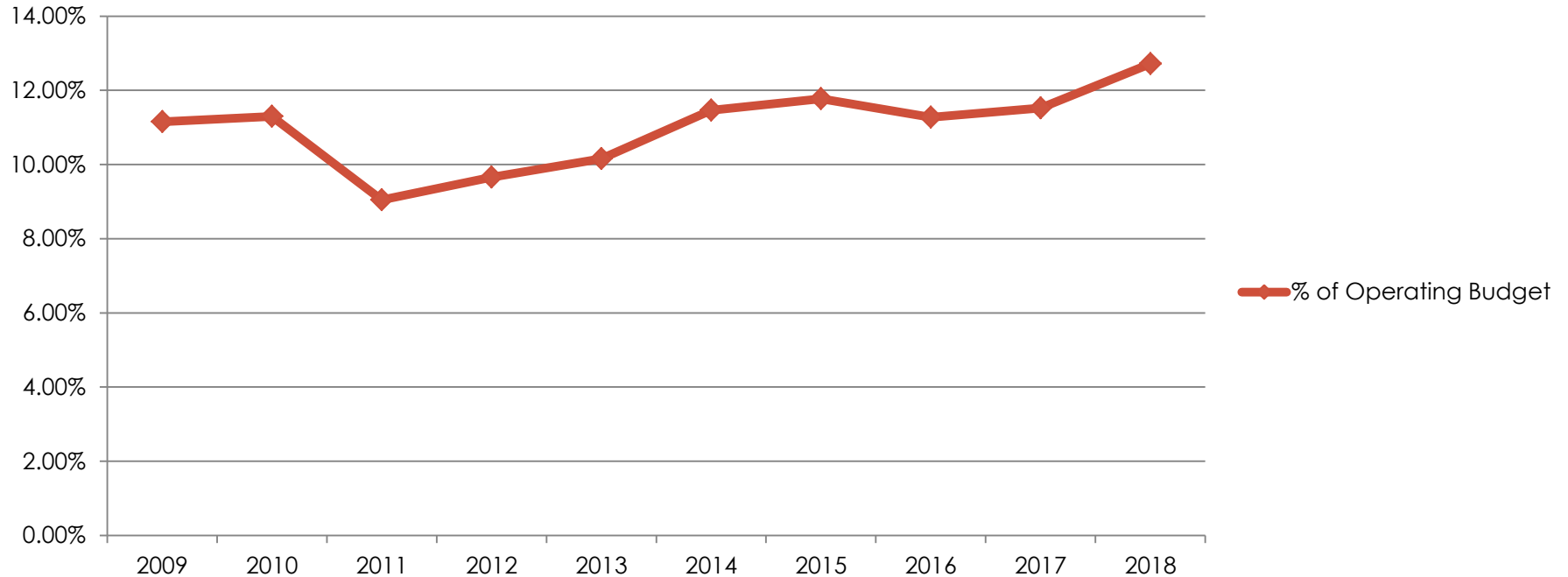
NET DEBT PER CAPITA



NET DEBT/ESTIMATED ACTUAL PROPERTY VALUE



TOTAL DEBT SERVICE AS A PERCENTAGE OF OPERATING BUDGET



DEBT PRESENTATION

Capital Spending & Debt Capacity



CAPITAL SPENDING & CAPACITY

Capital spending plans are authorized by Council resolution becoming the “Initial resolution determining to issue general obligation bonds” that is required by State law

• Prior Council approved capital spending plans	\$2,894,963,000
• Bonds issued to finance approved capital spending	<u>\$1,641,110,000</u>
• Authorized capital spending less bonded	\$1,253,853,000

This amount represents currently authorized spending, and bonding, from previous Council resolutions



CAPITAL SPENDING & CAPACITY (CONT.)

- Commercial paper is used to finance capital spending expenses until bonds are issued
- In FY17, capital spending is averaging \$27.1 million per month
- Based on this spending level we expect to issue bonds of \$500 million in 2019, \$500 million in 2021 and \$250 million in 2023 to fund the current level of authorized bonds
- Future capital spending plans or change in spending patterns could change these projections

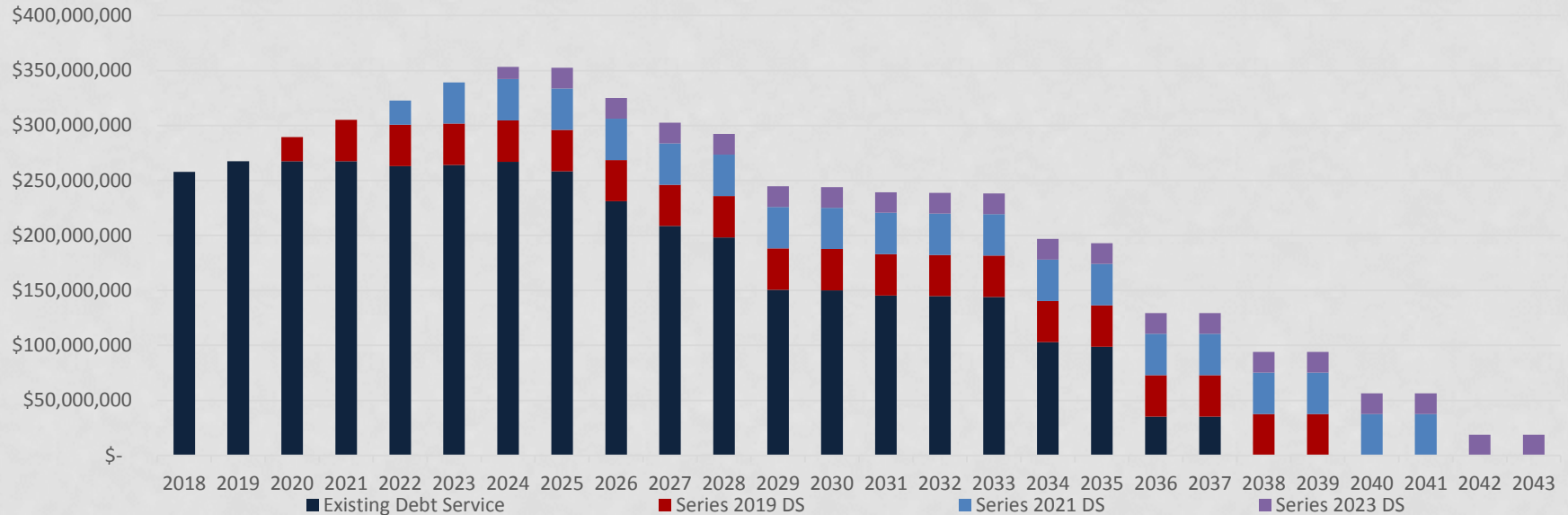


FUTURE DEBT SERVICE TO FUND EXISTING AUTHORIZATIONS

Period Ending	Existing Debt Service	Proposed Series 2019	Proposed Series 2021	Proposed Series 2023	Aggregate Debt Service	Annual Change in Debt Service
6/30/2018	\$ 257,727,392	\$ -	\$ -	\$ -	\$ 257,727,392	26,097,392
6/30/2019	267,443,637	-	-	-	267,443,637	11,146,100
6/30/2020	267,440,594	21,931,433	-	-	289,372,028	21,928,391
6/30/2021	267,442,369	37,626,550	-	-	305,068,919	15,696,891
6/30/2022	263,019,130	37,624,800	21,931,433	-	322,575,363	17,506,444
6/30/2023	264,023,194	37,626,800	37,626,550	-	339,276,544	16,701,180
6/30/2024	267,003,504	37,624,775	37,624,800	10,965,717	353,218,796	13,942,252
6/30/2025	258,394,862	37,625,400	37,626,800	18,813,275	352,460,337	(758,458)
6/30/2026	231,039,082	37,624,775	37,624,775	18,814,850	325,103,482	(27,356,855)
6/30/2027	208,513,173	37,626,800	37,625,400	18,810,850	302,576,223	(22,527,259)
6/30/2028	198,215,097	37,623,700	37,624,775	18,814,825	292,278,397	(10,297,826)
6/30/2029	150,551,871	37,625,550	37,626,800	18,812,575	244,616,796	(47,661,602)
6/30/2030	149,999,134	37,627,850	37,623,700	18,814,700	244,065,384	(551,411)
6/30/2031	145,293,052	37,626,100	37,625,550	18,813,150	239,357,852	(4,707,532)
6/30/2032	144,702,406	37,627,275	37,627,850	18,811,600	238,769,131	(588,721)
6/30/2033	144,084,314	37,625,525	37,626,100	18,814,950	238,150,889	(618,242)
6/30/2034	102,854,450	37,624,000	37,627,275	18,811,100	196,916,825	(41,234,064)
6/30/2035	98,798,839	37,623,500	37,625,525	18,812,800	192,860,664	(4,056,161)
6/30/2036	35,288,600	37,623,450	37,624,000	18,810,950	129,347,000	(63,513,664)
6/30/2037	35,286,900	37,627,250	37,623,500	18,810,200	129,347,850	850
6/30/2038	-	37,628,000	37,623,450	18,812,000	94,063,450	(35,284,400)
6/30/2039	-	37,627,750	37,627,250	18,811,750	94,066,750	3,300
6/30/2040	-	-	37,628,000	18,814,150	56,442,150	(37,624,600)
6/30/2041	-	-	37,627,750	18,811,050	56,438,800	(3,350)
6/30/2042	-	-	-	18,814,000	18,814,000	(37,624,800)
6/30/2043	-	-	-	18,813,875	18,813,875	(125)
	<u>\$ 3,757,121,602</u>	<u>\$ 736,821,283</u>	<u>\$ 736,821,283</u>	<u>\$ 368,408,367</u>	<u>\$5,599,172,535</u>	<u>\$ (211,386,270)</u>



FUTURE DEBT SERVICE TO FUND EXISTING AUTHORIZATIONS (CONT.)



CAPITAL SPENDING & CAPACITY (CONT.)

- Debt capacity is the ability to fund future principal and interest (debt service) of debt
- Any new initial bond authorization is a commitment to fund the resulting debt service
- Bonds and commercial paper (bond anticipation notes) issued from prior initial bond authorizations are legal obligations that must be paid

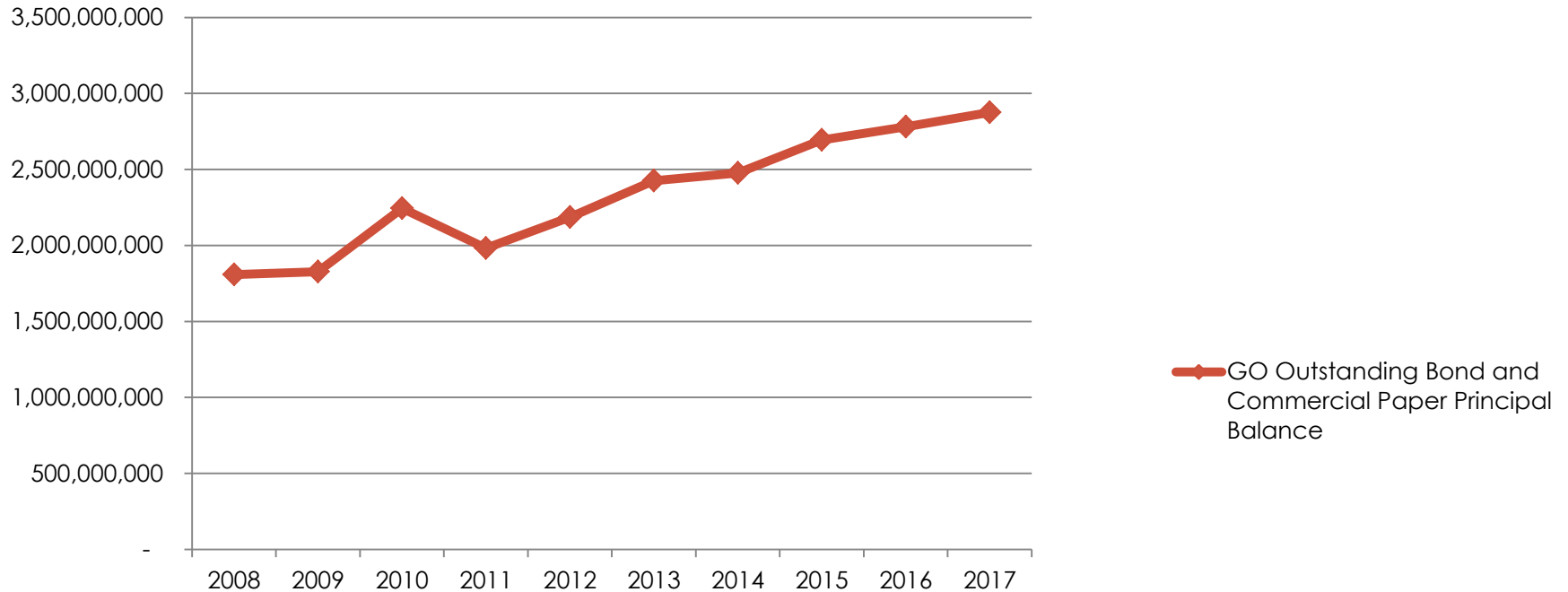


CAPITAL SPENDING & CAPACITY (CONT.)

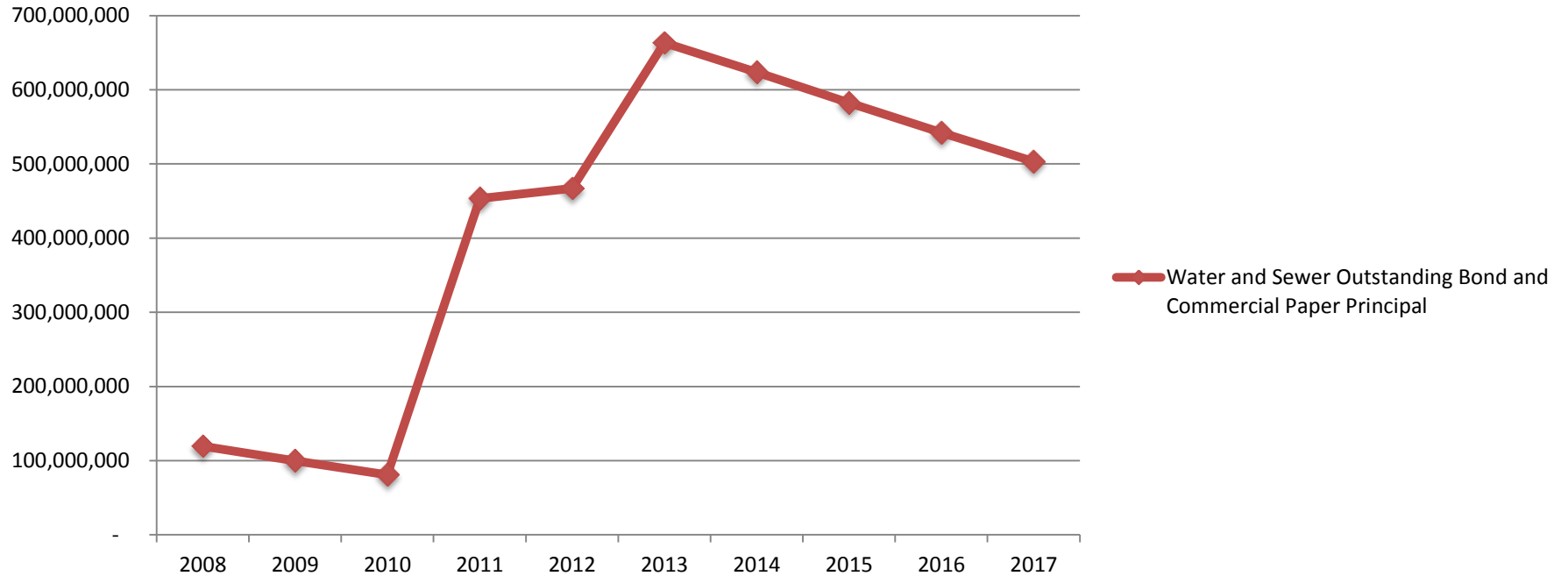
- Future revenue growth does not increase debt capacity
- Annual budgets must, by State law, fund the government's debt obligations
- Metro's obligation to bondholders as summarized from bond documents
 - The Metropolitan Government of Nashville and Davidson County promises to pay the principal amount on the maturity date and interest on the principal amount until maturity or redemption date



10 YEAR HISTORY OF GENERAL OBLIGATION PRINCIPAL BALANCE

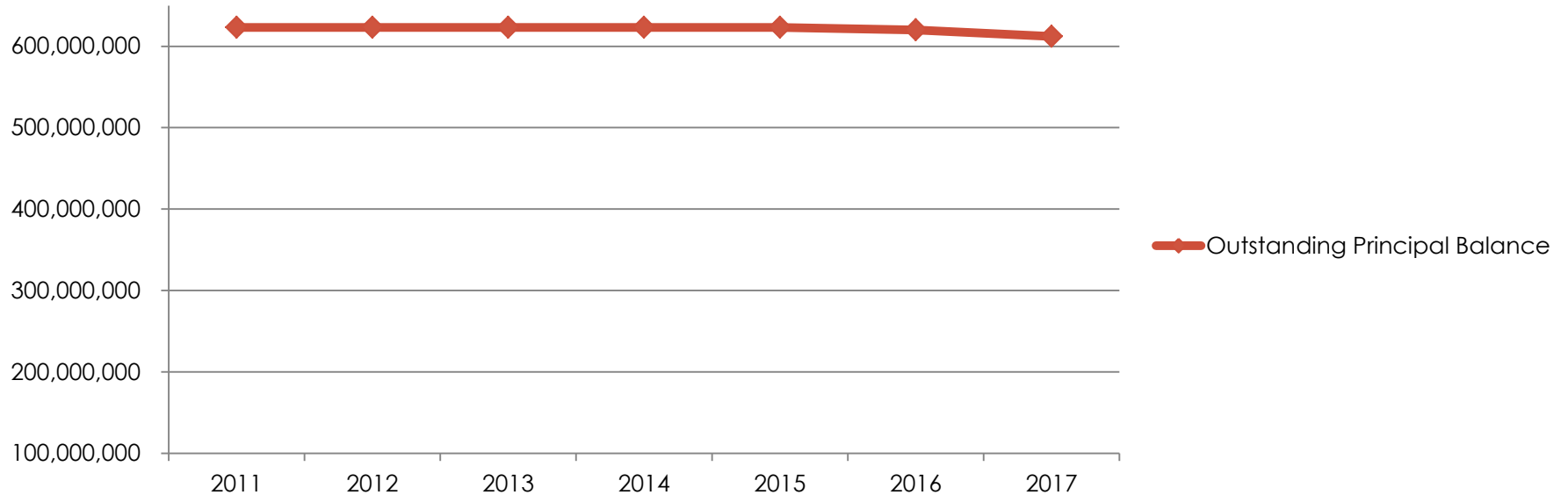


10 YEAR HISTORY OF WATER AND SEWER PRINCIPAL BALANCE

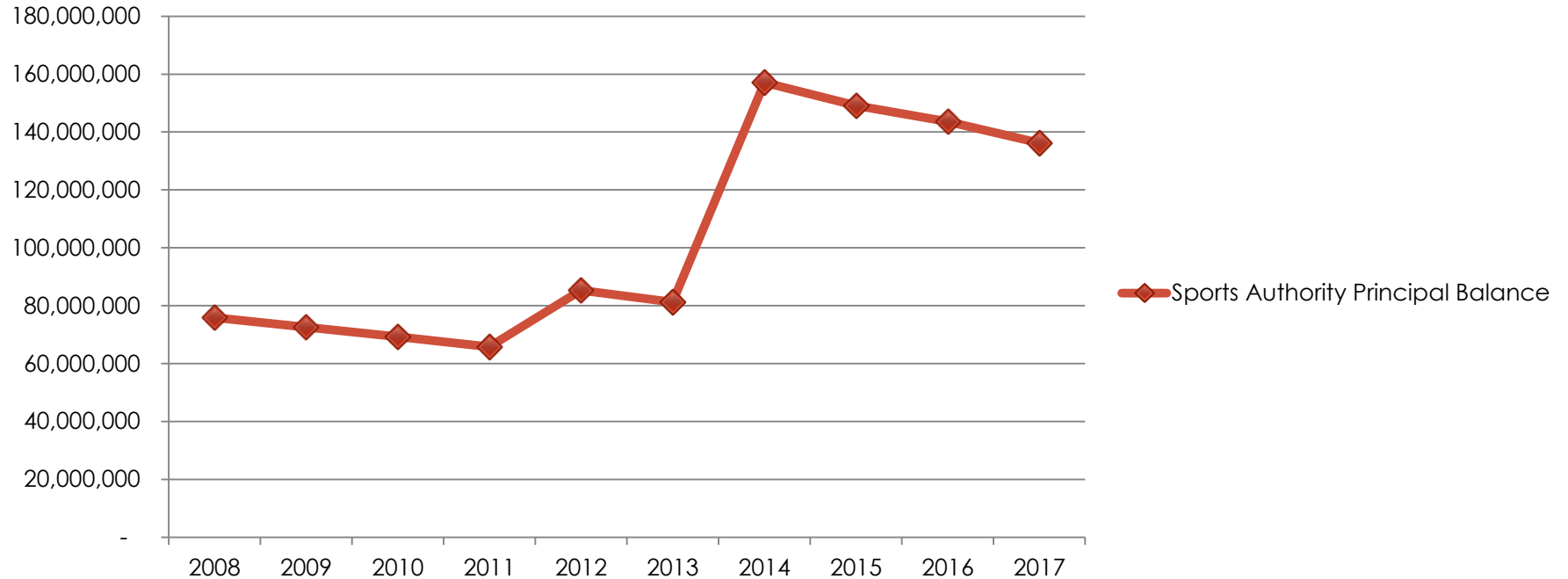


7 YEAR HISTORY OF CONVENTION CENTER PRINCIPAL BALANCE

Outstanding Principal Balance



10 YEAR HISTORY OF SPORTS AUTHORITY PRINCIPAL BALANCE

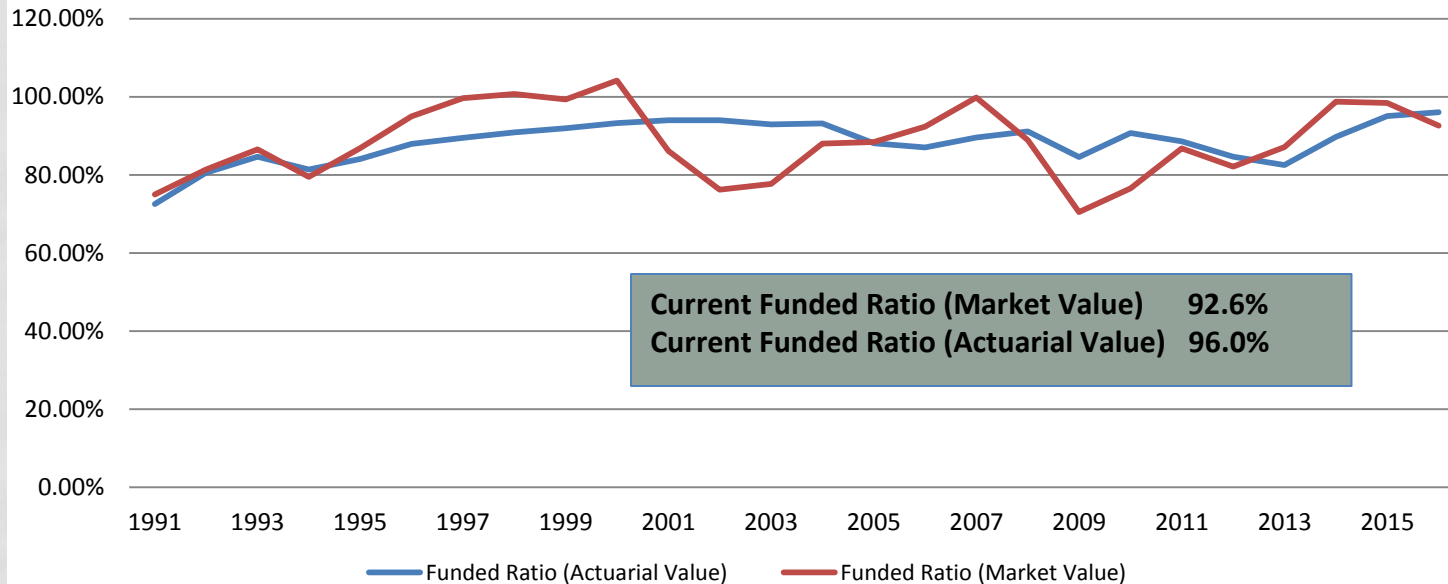


OTHER COUNCIL QUESTIONS



PENSION FUNDED TREND

(Assets as a Percentage of Accrued Liability)



Source - BPS&M, LLC report to Metro Employee Benefit Board, February 7, 2017

- Net Pension unfunded liability at 06/30/16 is \$221m



FUNDED STATUS COMPARISON

Discount Rate

Metro Pension Plan	Average of Largest 100 Public Sector Plans*
7.50%	7.50%

Funded Status – Actuarial Value Basis (2015 Plan Year)

Metro Pension Plan	Average of Largest 100 Public Sector Plans*
95.1%	69.8%

***Metro's Pension Plan has a higher funding ratio
that 91% of the largest 100 Public Pension Plans***

* Milliman – 2016 Public Sector Funding Study



ACTUARIAL ACCRUED OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY

- \$2.2 billion as of June 30, 2016
- Reported on statement of net assets in the FY18 CAFR

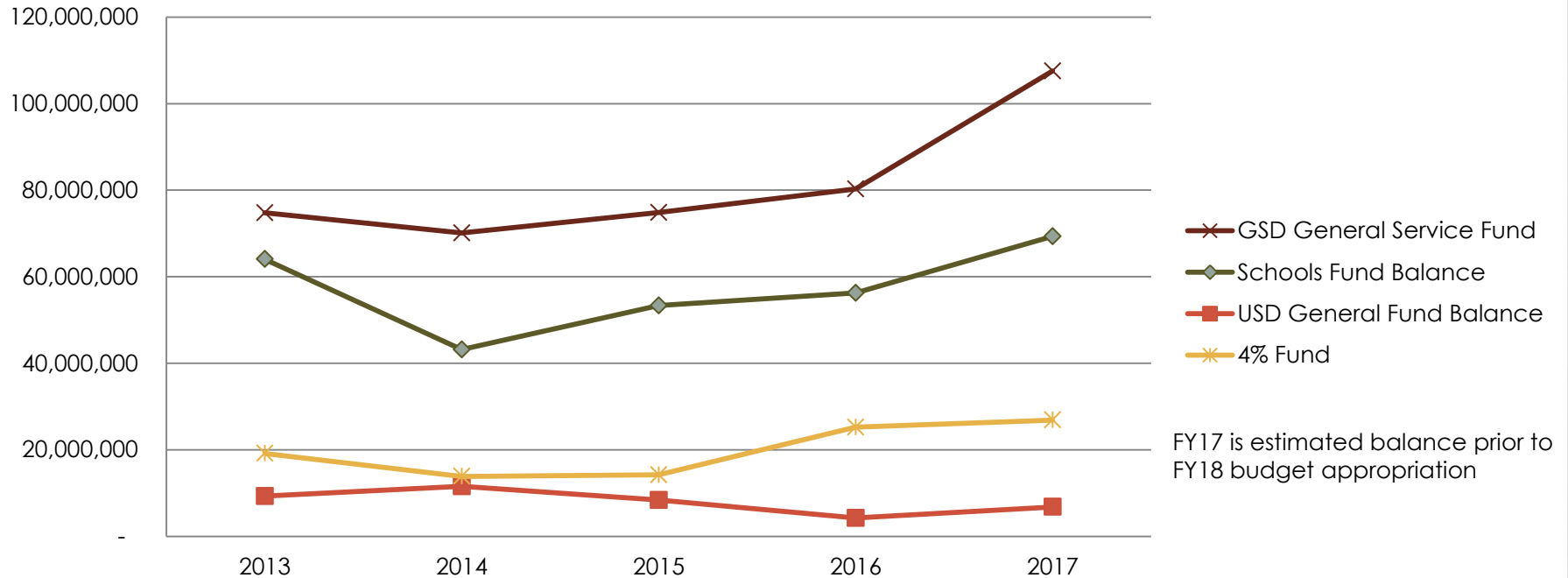


COURT ORDERS OR OTHER MANDATES ON CAPITAL SPENDING

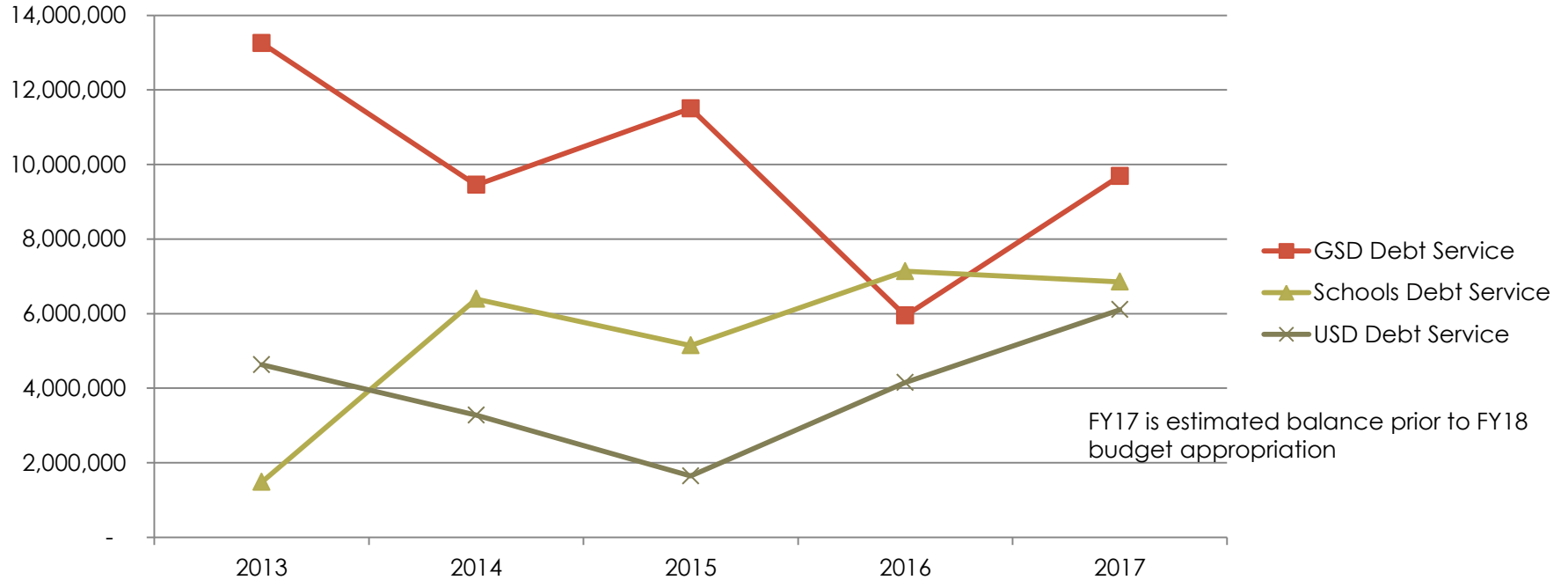
- Water & Sewer - EPA consent decree entered by federal court on March 12, 2009
 - Plan submitted by W&S, but has yet to be accepted by the Court
 - W&S working on projects included in the plan
 - Timing for completing the plan will not begin until it is accepted by the court
- ADA Settlement Agreement effective June 30, 2003
 - Projects included in agreement were completed
 - Project designs now follow ADA guidelines



5 YEAR HISTORY OF GENERAL FUND BALANCE



5 YEAR HISTORY OF DEBT SERVICE FUND BALANCE



QUESTIONS?

